

AMENDED IN ASSEMBLY APRIL 3, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1582**

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**Introduced by Assembly Member Mullin**

February 3, 2014

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An act to amend Section 34177 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL’S DIGEST

AB 1582, as amended, Mullin. Redevelopment: successor agencies: Recognized Obligation Payment Schedule.

The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies. Existing law requires a successor agency to, among other things, prepare a Recognized Obligation Payment Schedule for payments on enforceable obligations for each 6-month fiscal period.

This bill would revise the timeline for the preparation of the required Recognized Obligation Payment Schedule to provide that the successor agency prepare a schedule for an annual fiscal period.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     **SECTION 1.** *Section 34177 of the Health and Safety Code is*  
2 *amended to read:*

3     34177. Successor agencies are required to do all of the  
4 following:

5     (a) Continue to make payments due for enforceable obligations.

6     (1) On and after February 1, 2012, and until a Recognized  
7 Obligation Payment Schedule becomes operative, only payments  
8 required pursuant to an enforceable obligations payment schedule  
9 shall be made. The initial enforceable obligation payment schedule  
10 shall be the last schedule adopted by the redevelopment agency  
11 under Section 34169. However, payments associated with  
12 obligations excluded from the definition of enforceable obligations  
13 by paragraph (2) of subdivision (d) of Section 34171 shall be  
14 excluded from the enforceable obligations payment schedule and  
15 be removed from the last schedule adopted by the redevelopment  
16 agency under Section 34169 prior to the successor agency adopting  
17 it as its enforceable obligations payment schedule pursuant to this  
18 subdivision. The enforceable obligation payment schedule may  
19 be amended by the successor agency at any public meeting and  
20 shall be subject to the approval of the oversight board as soon as  
21 the board has sufficient members to form a quorum. In recognition  
22 of the fact that the timing of the California Supreme Court's ruling  
23 in the case *California Redevelopment Association v. Matosantos*  
24 (2011) 53 Cal.4th 231 delayed the preparation by successor  
25 agencies and the approval by oversight boards of the January 1,  
26 2012, through June 30, 2012, Recognized Obligation Payment  
27 Schedule, a successor agency may amend the Enforceable  
28 Obligation Payment Schedule to authorize the continued payment  
29 of enforceable obligations until the time that the January 1, 2012,  
30 through June 30, 2012, Recognized Obligation Payment Schedule  
31 has been approved by the oversight board and by the Department  
32 of Finance. The successor agency may utilize reasonable estimates  
33 and projections to support payment amounts for enforceable  
34 obligations if the successor agency submits appropriate supporting  
35 documentation of the basis for the estimate or projection to the  
36 Department of Finance and the auditor-controller.

37     (2) The Department of Finance and the Controller shall each  
38 have the authority to require any documents associated with the

1 enforceable obligations to be provided to them in a manner of their  
2 choosing. Any taxing entity, the department, and the Controller  
3 shall each have standing to file a judicial action to prevent a  
4 violation under this part and to obtain injunctive or other  
5 appropriate relief.

6 (3) Commencing on the date the Recognized Obligation Payment  
7 Schedule is valid pursuant to subdivision (l), only those payments  
8 listed in the Recognized Obligation Payment Schedule may be  
9 made by the successor agency from the funds specified in the  
10 Recognized Obligation Payment Schedule. In addition, after it  
11 becomes valid, the Recognized Obligation Payment Schedule shall  
12 supersede the Statement of Indebtedness, which shall no longer  
13 be prepared nor have any effect under the Community  
14 Redevelopment Law (Part 1 (commencing with Section 33000)).

15 (4) Nothing in the act adding this part is to be construed as  
16 preventing a successor agency, with the prior approval of the  
17 oversight board, as described in Section 34179, from making  
18 payments for enforceable obligations from sources other than those  
19 listed in the Recognized Obligation Payment Schedule.

20 (5) From February 1, 2012, to July 1, 2012, a successor agency  
21 shall have no authority and is hereby prohibited from accelerating  
22 payment or making any lump-sum payments that are intended to  
23 prepay loans unless such accelerated repayments were required  
24 prior to the effective date of this part.

25 (b) Maintain reserves in the amount required by indentures,  
26 trust indentures, or similar documents governing the issuance of  
27 outstanding redevelopment agency bonds.

28 (c) Perform obligations required pursuant to any enforceable  
29 obligation.

30 (d) Remit unencumbered balances of redevelopment agency  
31 funds to the county auditor-controller for distribution to the taxing  
32 entities, including, but not limited to, the unencumbered balance  
33 of the Low and Moderate Income Housing Fund of a former  
34 redevelopment agency. In making the distribution, the county  
35 auditor-controller shall utilize the same methodology for allocation  
36 and distribution of property tax revenues provided in Section  
37 34188.

38 (e) Dispose of assets and properties of the former redevelopment  
39 agency as directed by the oversight board; provided, however, that  
40 the oversight board may instead direct the successor agency to

1 transfer ownership of certain assets pursuant to subdivision (a) of  
2 Section 34181. The disposal is to be done expeditiously and in a  
3 manner aimed at maximizing value. Proceeds from asset sales and  
4 related funds that are no longer needed for approved development  
5 projects or to otherwise wind down the affairs of the agency, each  
6 as determined by the oversight board, shall be transferred to the  
7 county auditor-controller for distribution as property tax proceeds  
8 under Section 34188. The requirements of this subdivision shall  
9 not apply to a successor agency that has been issued a finding of  
10 completion by the Department of Finance pursuant to Section  
11 34179.7.

12 (f) Enforce all former redevelopment agency rights for the  
13 benefit of the taxing entities, including, but not limited to,  
14 continuing to collect loans, rents, and other revenues that were due  
15 to the redevelopment agency.

16 (g) Effectuate transfer of housing functions and assets to the  
17 appropriate entity designated pursuant to Section 34176.

18 (h) Expeditiously wind down the affairs of the redevelopment  
19 agency pursuant to the provisions of this part and in accordance  
20 with the direction of the oversight board.

21 (i) Continue to oversee development of properties until the  
22 contracted work has been completed or the contractual obligations  
23 of the former redevelopment agency can be transferred to other  
24 parties. Bond proceeds shall be used for the purposes for which  
25 bonds were sold unless the purposes can no longer be achieved,  
26 in which case, the proceeds may be used to defease the bonds.

27 (j) Prepare a proposed administrative budget and submit it to  
28 the oversight board for its approval. The proposed administrative  
29 budget shall include all of the following:

30 (1) Estimated amounts for successor agency administrative costs  
31 for the upcoming six-month fiscal period.

32 (2) Proposed sources of payment for the costs identified in  
33 paragraph (1).

34 (3) Proposals for arrangements for administrative and operations  
35 services provided by a city, county, city and county, or other entity.

36 (k) Provide administrative cost estimates, from its approved  
37 administrative budget that are to be paid from property tax revenues  
38 deposited in the Redevelopment Property Tax Trust Fund, to the  
39 county auditor-controller for each six-month fiscal period.

1 (l) (1) Before each ~~six-month~~ annual fiscal period, to  
2 *correspond with the former agency's fiscal year*, prepare a  
3 Recognized Obligation Payment Schedule in accordance with the  
4 requirements of this paragraph. For each recognized obligation,  
5 the Recognized Obligation Payment Schedule shall identify one  
6 or more of the following sources of payment:

7 (A) Low and Moderate Income Housing Fund.

8 (B) Bond proceeds.

9 (C) Reserve balances.

10 (D) Administrative cost allowance.

11 (E) The Redevelopment Property Tax Trust Fund, but only to  
12 the extent no other funding source is available or when payment  
13 from property tax revenues is required by an enforceable obligation  
14 or by the provisions of this part.

15 (F) Other revenue sources, including rents, concessions, asset  
16 sale proceeds, interest earnings, and any other revenues derived  
17 from the former redevelopment agency, as approved by the  
18 oversight board in accordance with this part.

19 (2) A Recognized Obligation Payment Schedule shall not be  
20 deemed valid unless all of the following conditions have been met:

21 (A) A Recognized Obligation Payment Schedule is prepared  
22 by the successor agency for the enforceable obligations of the  
23 former redevelopment agency. The initial schedule shall project  
24 the dates and amounts of scheduled payments for each enforceable  
25 obligation for the remainder of the time period during which the  
26 redevelopment agency would have been authorized to obligate  
27 property tax increment had the a redevelopment agency not been  
28 dissolved.

29 (B) The Recognized Obligation Payment Schedule is submitted  
30 to and duly approved by the oversight board. The successor agency  
31 shall submit a copy of the Recognized Obligation Payment  
32 Schedule to the county administrative officer, the county  
33 auditor-controller, and the Department of Finance at the same time  
34 that the successor agency submits the Recognized Obligation  
35 Payment Schedule to the oversight board for approval.

36 (C) A copy of the approved Recognized Obligation Payment  
37 Schedule is submitted to the county auditor-controller, the  
38 Controller's office, and the Department of Finance, and is posted  
39 on the successor agency's Internet Web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next ~~six months~~ *fiscal year, for fiscal years commencing on or after January 1, 2015*. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by April 15, 2012, for the period of January 1, 2012, to June 30, 2012, inclusive. This Recognized Obligation Payment Schedule shall include all payments made by the former redevelopment agency between January 1, 2012, through January 31, 2012, and shall include all payments proposed to be made by the successor agency from February 1, 2012, through June 30, 2012. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.

(m) The Recognized Obligation Payment Schedule for the period of January 1, 2013, to June 30, 2013, shall be submitted by the successor agency, after approval by the oversight board, no later than September 1, 2012. Commencing with the Recognized Obligation Payment Schedule covering the period July 1, 2013, through December 31, 2013, successor agencies shall submit an oversight board-approved Recognized Obligation Payment Schedule to the Department of Finance and to the county auditor-controller no fewer than 90 days before the date of property tax distribution. The Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items. The meet and confer period may vary; an untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controllers as to the outcome of its review at least 15 days before the date of property tax distribution.

(1) The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the Department of Finance

1 electronically, and the successor agency shall complete the  
2 Recognized Obligation Payment Schedule in the manner provided  
3 for by the department. A successor agency shall be in  
4 noncompliance with this paragraph if it only submits to the  
5 department an electronic message or a letter stating that the  
6 oversight board has approved a Recognized Obligation Payment  
7 Schedule.

8 (2) If a successor agency does not submit a Recognized  
9 Obligation Payment Schedule by the deadlines provided in this  
10 subdivision, the city, county, or city and county that created the  
11 redevelopment agency shall be subject to a civil penalty equal to  
12 ten thousand dollars (\$10,000) per day for every day the schedule  
13 is not submitted to the department. The civil penalty shall be paid  
14 to the county auditor-controller for allocation to the taxing entities  
15 under Section 34183. If a successor agency fails to submit a  
16 Recognized Obligation Payment Schedule by the deadline, any  
17 creditor of the successor agency or the Department of Finance or  
18 any affected taxing entity shall have standing to and may request  
19 a writ of mandate to require the successor agency to immediately  
20 perform this duty. Those actions may be filed only in the County  
21 of Sacramento and shall have priority over other civil matters.  
22 Additionally, if an agency does not submit a Recognized Obligation  
23 Payment Schedule within 10 days of the deadline, the maximum  
24 administrative cost allowance for that period shall be reduced by  
25 25 percent.

26 (3) If a successor agency fails to submit to the department an  
27 oversight board-approved Recognized Obligation Payment  
28 Schedule that complies with all requirements of this subdivision  
29 within five business days of the date upon which the Recognized  
30 Obligation Payment Schedule is to be used to determine the amount  
31 of property tax allocations, the department may determine if any  
32 amount should be withheld by the county auditor-controller for  
33 payments for enforceable obligations from distribution to taxing  
34 entities, pending approval of a Recognized Obligation Payment  
35 Schedule. The county auditor-controller shall distribute the portion  
36 of any of the sums withheld pursuant to this paragraph to the  
37 affected taxing entities in accordance with paragraph (4) of  
38 subdivision (a) of Section 34183 upon notice by the department  
39 that a portion of the withheld balances are in excess of the amount  
40 of enforceable obligations. The county auditor-controller shall

1 distribute withheld funds to the successor agency only in  
2 accordance with a Recognized Obligation Payment Schedule  
3 approved by the department. County auditor-controllers shall lack  
4 the authority to withhold any other amounts from the allocations  
5 provided for under Section 34183 or 34188 unless required by a  
6 court order.

7 (4) (A) The Recognized Obligation Payment Schedule payments  
8 required pursuant to this subdivision may be scheduled beyond  
9 the existing Recognized Obligation Payment Schedule cycle upon  
10 a showing that a lender requires cash on hand beyond the  
11 Recognized Obligation Payment Schedule cycle.

12 (B) When a payment is shown to be due during the Recognized  
13 Obligation Payment Schedule period, but an invoice or other billing  
14 document has not yet been received, the successor agency may  
15 utilize reasonable estimates and projections to support payment  
16 amounts for enforceable obligations if the successor agency submits  
17 appropriate supporting documentation of the basis for the estimate  
18 or projection to the department and the auditor-controller.

19 (C) A Recognized Obligation Payment Schedule may also  
20 include appropriation of moneys from bonds subject to passage  
21 during the Recognized Obligation Payment Schedule cycle when  
22 an enforceable obligation requires the agency to issue the bonds  
23 and use the proceeds to pay for project expenditures.

24 (n) Cause a postaudit of the financial transactions and records  
25 of the successor agency to be made at least annually by a certified  
26 public accountant.

27 ~~SECTION 1. Section 34177 of the Health and Safety Code is~~  
28 ~~amended to read:~~

29 ~~34177. Successor agencies are required to do all of the~~  
30 ~~following:~~

31 ~~(a) Continue to make payments due for enforceable obligations.~~

32 ~~(1) On and after February 1, 2012, and until a Recognized~~  
33 ~~Obligation Payment Schedule becomes operative, only payments~~  
34 ~~required pursuant to an enforceable obligations payment schedule~~  
35 ~~shall be made. The initial enforceable obligation payment schedule~~  
36 ~~shall be the last schedule adopted by the redevelopment agency~~  
37 ~~under Section 34169. However, payments associated with~~  
38 ~~obligations excluded from the definition of enforceable obligations~~  
39 ~~by paragraph (2) of subdivision (d) of Section 34171 shall be~~  
40 ~~excluded from the enforceable obligations payment schedule and~~



1 be removed from the last schedule adopted by the redevelopment  
2 agency under Section 34169 prior to the successor agency adopting  
3 it as its enforceable obligations payment schedule pursuant to this  
4 subdivision. The enforceable obligation payment schedule may  
5 be amended by the successor agency at any public meeting and  
6 shall be subject to the approval of the oversight board as soon as  
7 the board has sufficient members to form a quorum. In recognition  
8 of the fact that the timing of the California Supreme Court's ruling  
9 in the case California Redevelopment Association v. Matosantos  
10 (2011) 53 Cal.4th 231 delayed the preparation by successor  
11 agencies and the approval by oversight boards of the January 1,  
12 2012, through June 30, 2012, Recognized Obligation Payment  
13 Schedule, a successor agency may amend the Enforceable  
14 Obligation Payment Schedule to authorize the continued payment  
15 of enforceable obligations until the time that the January 1, 2012,  
16 through June 30, 2012, Recognized Obligation Payment Schedule  
17 has been approved by the oversight board and by the Department  
18 of Finance.

19 (2) The Department of Finance and the Controller shall each  
20 have the authority to require any documents associated with the  
21 enforceable obligations to be provided to them in a manner of their  
22 choosing. Any taxing entity, the department, and the Controller  
23 shall each have standing to file a judicial action to prevent a  
24 violation under this part and to obtain injunctive or other  
25 appropriate relief.

26 (3) Commencing on the date the Recognized Obligation Payment  
27 Schedule is valid pursuant to subdivision (1), only those payments  
28 listed in the Recognized Obligation Payment Schedule may be  
29 made by the successor agency from the funds specified in the  
30 Recognized Obligation Payment Schedule. In addition, after it  
31 becomes valid, the Recognized Obligation Payment Schedule shall  
32 supersede the Statement of Indebtedness, which shall no longer  
33 be prepared nor have any effect under the Community  
34 Redevelopment Law (Part 1 (commencing with Section 33000)).

35 (4) Nothing in the act adding this part is to be construed as  
36 preventing a successor agency, with the prior approval of the  
37 oversight board, as described in Section 34179, from making  
38 payments for enforceable obligations from sources other than those  
39 listed in the Recognized Obligation Payment Schedule.

1     ~~(5) From February 1, 2012, to July 1, 2012, a successor agency~~  
2     ~~shall have no authority and is hereby prohibited from accelerating~~  
3     ~~payment or making any lump-sum payments that are intended to~~  
4     ~~prepay loans unless such accelerated repayments were required~~  
5     ~~prior to the effective date of this part.~~

6     ~~(b) Maintain reserves in the amount required by indentures,~~  
7     ~~trust indentures, or similar documents governing the issuance of~~  
8     ~~outstanding redevelopment agency bonds.~~

9     ~~(c) Perform obligations required pursuant to any enforceable~~  
10    ~~obligation.~~

11    ~~(d) Remit unencumbered balances of redevelopment agency~~  
12    ~~funds to the county auditor-controller for distribution to the taxing~~  
13    ~~entities, including, but not limited to, the unencumbered balance~~  
14    ~~of the Low and Moderate Income Housing Fund of a former~~  
15    ~~redevelopment agency. In making the distribution, the county~~  
16    ~~auditor-controller shall utilize the same methodology for allocation~~  
17    ~~and distribution of property tax revenues provided in Section~~  
18    ~~34188.~~

19    ~~(e) Dispose of assets and properties of the former redevelopment~~  
20    ~~agency as directed by the oversight board; provided, however, that~~  
21    ~~the oversight board may instead direct the successor agency to~~  
22    ~~transfer ownership of certain assets pursuant to subdivision (a) of~~  
23    ~~Section 34181. The disposal is to be done expeditiously and in a~~  
24    ~~manner aimed at maximizing value. Proceeds from asset sales and~~  
25    ~~related funds that are no longer needed for approved development~~  
26    ~~projects or to otherwise wind down the affairs of the agency, each~~  
27    ~~as determined by the oversight board, shall be transferred to the~~  
28    ~~county auditor-controller for distribution as property tax proceeds~~  
29    ~~under Section 34188. The requirements of this subdivision shall~~  
30    ~~not apply to a successor agency that has been issued a finding of~~  
31    ~~completion by the Department of Finance pursuant to Section~~  
32    ~~34179.7.~~

33    ~~(f) Enforce all former redevelopment agency rights for the~~  
34    ~~benefit of the taxing entities, including, but not limited to,~~  
35    ~~continuing to collect loans, rents, and other revenues that were due~~  
36    ~~to the redevelopment agency.~~

37    ~~(g) Effectuate transfer of housing functions and assets to the~~  
38    ~~appropriate entity designated pursuant to Section 34176.~~

1     ~~(h) Expediently wind down the affairs of the redevelopment~~  
2 ~~agency pursuant to the provisions of this part and in accordance~~  
3 ~~with the direction of the oversight board.~~

4     ~~(i) Continue to oversee development of properties until the~~  
5 ~~contracted work has been completed or the contractual obligations~~  
6 ~~of the former redevelopment agency can be transferred to other~~  
7 ~~parties. Bond proceeds shall be used for the purposes for which~~  
8 ~~bonds were sold unless the purposes can no longer be achieved;~~  
9 ~~in which case, the proceeds may be used to defease the bonds.~~

10    ~~(j) Prepare a proposed administrative budget and submit it to~~  
11 ~~the oversight board for its approval. The proposed administrative~~  
12 ~~budget shall include all of the following:~~

13     ~~(1) Estimated amounts for successor agency administrative costs~~  
14 ~~for the upcoming six-month fiscal period.~~

15     ~~(2) Proposed sources of payment for the costs identified in~~  
16 ~~paragraph (1).~~

17     ~~(3) Proposals for arrangements for administrative and operations~~  
18 ~~services provided by a city, county, city and county, or other entity.~~

19    ~~(k) Provide administrative cost estimates, from its approved~~  
20 ~~administrative budget that are to be paid from property tax revenues~~  
21 ~~deposited in the Redevelopment Property Tax Trust Fund, to the~~  
22 ~~county auditor-controller for each six-month fiscal period.~~

23    ~~(l) (1) Before each annual fiscal period, prepare a Recognized~~  
24 ~~Obligation Payment Schedule in accordance with the requirements~~  
25 ~~of this paragraph. For each recognized obligation, the Recognized~~  
26 ~~Obligation Payment Schedule shall identify one or more of the~~  
27 ~~following sources of payment:~~

28     ~~(A) Low and Moderate Income Housing Fund.~~

29     ~~(B) Bond proceeds.~~

30     ~~(C) Reserve balances.~~

31     ~~(D) Administrative cost allowance.~~

32     ~~(E) The Redevelopment Property Tax Trust Fund, but only to~~  
33 ~~the extent no other funding source is available or when payment~~  
34 ~~from property tax revenues is required by an enforceable obligation~~  
35 ~~or by this part.~~

36     ~~(F) Other revenue sources, including rents, concessions, asset~~  
37 ~~sale proceeds, interest earnings, and any other revenues derived~~  
38 ~~from the former redevelopment agency, as approved by the~~  
39 ~~oversight board in accordance with this part.~~

~~(2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:~~

~~(A) A Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency. The initial schedule shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had the redevelopment agency not been dissolved.~~

~~(B) The Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board. The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the Recognized Obligation Payment Schedule to the oversight board for approval.~~

~~(C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller and both the Controller's office and the Department of Finance and be posted on the successor agency's Internet Web site.~~

~~(3) The Recognized Obligation Payment Schedule shall be forward looking to the next year for the period commencing on January 1, 2015. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by April 15, 2012, for the period of January 1, 2012, to June 30, 2012, inclusive. This Recognized Obligation Payment Schedule shall include all payments made by the former redevelopment agency between January 1, 2012, through January 31, 2012, and shall include all payments proposed to be made by the successor agency from February 1, 2012, through June 30, 2012. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.~~

~~(m) The Recognized Obligation Payment Schedule for the period of January 1, 2013, to June 30, 2013, shall be submitted by the successor agency, after approval by the oversight board, no later~~

1 than September 1, 2012. Commencing with the Recognized  
2 Obligation Payment Schedule covering the period July 1, 2013,  
3 through December 31, 2013, successor agencies shall submit an  
4 oversight board-approved Recognized Obligation Payment  
5 Schedule to the Department of Finance and to the county  
6 auditor-controller no fewer than 90 days before the date of property  
7 tax distribution. The Department of Finance shall make its  
8 determination of the enforceable obligations and the amounts and  
9 funding sources of the enforceable obligations no later than 45  
10 days after the Recognized Obligation Payment Schedule is  
11 submitted. Within five business days of the department's  
12 determination, a successor agency may request additional review  
13 by the department and an opportunity to meet and confer on  
14 disputed items. The meet and confer period may vary; an untimely  
15 submittal of a Recognized Obligation Payment Schedule may result  
16 in a meet and confer period of less than 30 days. The department  
17 shall notify the successor agency and the county auditor-controllers  
18 as to the outcome of its review at least 15 days before the date of  
19 property tax distribution.

20 (1) The successor agency shall submit a copy of the Recognized  
21 Obligation Payment Schedule to the Department of Finance  
22 electronically, and the successor agency shall complete the  
23 Recognized Obligation Payment Schedule in the manner provided  
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25 noncompliance with this paragraph if it only submits to the  
26 department an electronic message or a letter stating that the  
27 oversight board has approved a Recognized Obligation Payment  
28 Schedule.

29 (2) If a successor agency does not submit a Recognized  
30 Obligation Payment Schedule by the deadlines provided in this  
31 subdivision, the city, county, or city and county that created the  
32 redevelopment agency shall be subject to a civil penalty equal to  
33 ten thousand dollars (\$10,000) per day for every day the schedule  
34 is not submitted to the department. The civil penalty shall be paid  
35 to the county auditor-controller for allocation to the taxing entities  
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37 Recognized Obligation Payment Schedule by the deadline, any  
38 creditor of the successor agency or the Department of Finance or  
39 any affected taxing entity shall have standing to and may request  
40 a writ of mandate to require the successor agency to immediately

1 perform this duty. Those actions may be filed only in the County  
2 of Sacramento and shall have priority over other civil matters.  
3 Additionally, if an agency does not submit a Recognized Obligation  
4 Payment Schedule within 10 days of the deadline, the maximum  
5 administrative cost allowance for that period shall be reduced by  
6 25 percent.

7 (3) If a successor agency fails to submit to the department an  
8 oversight board-approved Recognized Obligation Payment  
9 Schedule that complies with all requirements of this subdivision  
10 within five business days of the date upon which the Recognized  
11 Obligation Payment Schedule is to be used to determine the amount  
12 of property tax allocations, the department may determine if any  
13 amount should be withheld by the county auditor-controller for  
14 payments for enforceable obligations from distribution to taxing  
15 entities, pending approval of a Recognized Obligation Payment  
16 Schedule. The county auditor-controller shall distribute the portion  
17 of any of the sums withheld pursuant to this paragraph to the  
18 affected taxing entities in accordance with paragraph (4) of  
19 subdivision (a) of Section 34183 upon notice by the department  
20 that a portion of the withheld balances are in excess of the amount  
21 of enforceable obligations. The county auditor-controller shall  
22 distribute withheld funds to the successor agency only in  
23 accordance with a Recognized Obligation Payment Schedule  
24 approved by the department. County auditor-controllers shall lack  
25 the authority to withhold any other amounts from the allocations  
26 provided for under Section 34183 or 34188, unless required by a  
27 court order.

28 (n) Cause a postaudit of the financial transactions and records  
29 of the successor agency to be made at least annually by a certified  
30 public accountant.